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Sent: Tue 10/2/2012 5:43:02 PM
Subject: Article -- Industry groups, governors concerned over proposed fracking rules

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Industry groups, governors concerned over proposed fracking rules

Associated Press

The Billings Gazette
October 01, 2012 12:00 am • By Tom Howard

Industry officials and the governors of Wyoming and Montana have voiced concerns about proposed federal rules that would require petroleum companies to disclose the chemicals they use in hydraulic fracturing.

In a recent letter, Wyoming Gov. Matt Mead asked the Interior Department to scale back — or abandon altogether — proposed rules to require disclosure of the chemicals they inject down well bores in the process also known as fracking.

In a June 18 letter, Montana Gov. Brian Schweitzer also expressed concerns.

“While I can appreciate BLM’s role in regulating industry activities on public land, I believe BLM is well advised to accept the regulatory process developed by each state and limit implementation of a new regulatory scheme to the jurisdictions and states that have not already adopted rules,” Schweitzer wrote.

The proposed U.S. Bureau of Land Management rule resembles one already in place in Wyoming. For two years now, Wyoming has required companies to disclose the ingredients in their fracking chemicals.

Having similar rules on both the federal and state level is duplicative and unnecessary, Mead wrote to Interior Secretary Ken Salazar.

“The effect is fewer jobs, less economic development and a dangerous precedent for future regulatory actions,” Mead wrote.

The BLM should either reject the proposal, he wrote, or at least “give maximum deference to states” with regard to fracking regulation.

The Independent Petroleum Association of America and the Western Energy Alliance, say the proposed BLM rules would cost the economy \$1.5 billion per year.

"The proposed rule is unnecessary, excessive and requires actions that no state currently regulating oil and natural gas production deems necessary, based on their decades of regulatory experience," the groups said. "The effort will also place undue economic burdens and time delays on independent producers that will inevitably drive many smaller companies away from exploring for oil and natural gas on federal lands."

When the rules might take effect isn't clear. It depends in part on whether President Barack Obama is re-elected or if Mitt Romney wins and abandons the idea.

"This administration's priority is to continue to expand domestic oil and gas production, while ensuring that takes place safely and responsibly," Interior spokesman Blake Androff said by email. "It is important that the public have full confidence that the right safety and environmental protections are in place."

The proposed BLM rule "minimizes duplication," he added, and in fact complements fracking regulation in some states.

Fracking involves pumping pressurized water, sand and chemicals down well bores to break open up fissures in rock formations and improve the flow of oil and gas.

Environmentalists say fracking can contaminate groundwater. Last year, the U.S. Environmental Protection Agency theorized that hydraulic fracturing may have contaminated groundwater in a gas field outside Pavillion in central Wyoming.

Wyoming regulators and Mead objected to how EPA scientists did the research — namely their minimal consultation with Wyoming officials. This year, Wyoming and the EPA have worked jointly on additional testing in the Pavillion area.

The petroleum industry insists fracking is safe, that fracking chemicals and hydrocarbons haven't been shown to befoul any aquifers used for drinking water.

In Wyoming, the state Oil and Gas Conservation Commission oversees oil and gas development, including fracking. Four environmental groups sued in March, saying the commission too often has granted companies' requests to keep information about the fracking fluids they use from public disclosure on the grounds that the ingredients are trade secrets.

Otherwise, the Wyoming rule generally has been well-received.

"Wyoming has a really good rule on paper. The difficulties we're seeing aren't that the rule isn't any good," said Deb Thomas with the Powder River Basin Resource Council, which represents some Pavillion-area landowners and is among the groups suing over how Wyoming's rule has been implemented.

Yet the BLM has not consulted with Wyoming or other states about the state rule, Mead spokesman Renny MacKay said.

"Specifically the concern about this is the BLM has never said to us there is any problem with it," MacKay said.

The rule would apply to oil and gas drilling mainly in the West, where a large portion of petroleum development occurs on public lands. In eastern states, most oil and gas drilling takes place on private land.